

## Message Text

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ACTION EUR-12

INFO OCT-01 IO-10 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-01

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00

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FM AMEMBASSY LISBON

TO SECSTATE WASHDC 4935

USMISSION GENEVA

INFO AMEMBASSY BERN

AMEMBASSY BONN

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USMISSION EC BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY HELSINKI

AMEMBASSY LONDON

AMEMBASSY MADRID UNN

AMCONSUL OPORTO

AMEMBASSY OSLO

AMEMBASSY PARIS

USMISSION OECD PARIS

/AMCONSUL PONTA DELGADA 830

AMEMBASSY REYKJAVIK

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY THE HAGUE

AMEMBASSY VIENNA

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E.O. 11652: N/A

TAGS: ECIN, EAID, ETRD, EFTA, PO

SUBJECT: EFTA AID AND TRADE CONCESSIONS TO PORTUGAL

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SUMMARY: IN SURPRISINGLY RAPID DECISION, EFTA MINISTERS REPORTEDLY APPROVED \$100 MILLION INVESTMENT FUND FOR PORTUGAL, AND FIVE-YEAR DELAY IN DEADLINE FOR PORTUGUESE TO ELIMINATE TARIFFS ON CERTAIN EFTA INDUSTRIAL PRODUCTS. PORTUGAL REPORTEDLY ALSO WAS PROMISED SOME BILATERAL TRADE CONCESSIONS AND TECHNICAL ASSISTANCE. FUND DETAILS STILL TO BE WORKED OUT, BUT MAJOR FLOW OF MONEY EVIDENTLY WILL TAKE SOME TIME. END SUMMARY.

1. LISBON PRESS HAS FEATURED REPORTS THAT EFTA MINISTERIAL MEETING IN GENEVA APPROVED \$100 MILLION INVESTMENT FUND AND TARIFF CONCESSIONS FOR PORTUGAL. THE \$100 MILLION CREDIT, WHICH PORTUGUESE FOREIGN TRADE MINISTER JORGE CAMPINOS DESCRIBED AS "AID" RATHER THAN A LOAN, WILL BE MADE AVAILABLE DURING FIVE-YEAR PERIOD. IT WILL FINANCE INVESTMENTS IN SMALL AND MEDIUM-SIZED FIRMS, INCLUDING RESTRUCTURING AND ORGANIZATION PROJECTS. CAMPINOS SAID HE HAD REQUESTED 25-YEAR PAYBACK AT NO INTEREST, BUT TERMS AND MODALITIES OF PROJECT APPROVAL/IMPLEMENTATION ARE YET TO BE DECIDED. EFTA PARLIAMENTS MUST STILL APPROVE FUND AND PORTUGUESE MUST PREPARE CONCRETE PROJECTS.

2. DEADLINE FOR ELIMINATION OF PORTUGUESE TARIFFS ON CERTAIN EFTA INDUSTRIAL PRODUCTS, I.E., THOSE LISTED IN ANNEX G OF STOCKHOLM CONVENTION, HAS BEEN POSTPONED FROM END OF 1976 TO JANUARY 1, 1985. CAMPINOS REPORTED THAT SOME EFTA COUNTRIES, NOTABLY NORWAY AND AUSTRIA, ALSO GRANTED TARIFF CONCESSIONS ON SEVERAL PORTUGUESE AGRICULTURAL EXPORTS. (NOTE: AUSTRIAN EMBASSY CONFIRMED TO US 50 PERCENT REDUCTION IN DUTIES ON PORT WINE IMPORTS).

3. CAMPINOS ALSO CLAIMED THAT EFTA COUNTRIES PROMISED VARIOUS FORMS OF ASSISTANCE. SPECIFICALLY, NORWAY ALLEGEDLY WILL PROVIDE 50 PRE-FABRICATED HOUSES, MEDICINES AND TECHNICAL ASSISTANCE; SWEDEN WILL GIVE MEDICINE, A TWO MILLION KRONER GRANT, AND TECHNICAL ASSISTANCE. ICELAND REPORTEDLY IS ALSO READY TO PROVIDE FISHING TECHNOLOGY AND TO CONSIDER INCREASED IMPORTS FROM PORTUGAL.

4. COMMENT:

A. PRESS REPORTS EXPRESSED SURPRISE AT RAPID DECISIONS IN LIMITED OFFICIAL USE

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GENEVA, ESPECIALLY AS EFTA EXPERTS' GROUP MADE ITS RECOMMENDATIONS ONLY A WEEK AGO. HOWEVER, AS CAMPINOS EMPHASIZED, FOLLOW-ON PROCEDURAL REQUIREMENTS SUGGEST NO MAJOR FINANCIAL FLOWS WILL OCCUR FOR SOME TIME. HE ALSO IS UNDOUBTEDLY RIGHT IN CLASSIFYING DECISION AS "POLITICAL", NOT ECONOMIC.

B. NORWEGIAN AND SWEDISH EMBASSIES INFORM US PORTUGUESE HAD ASKED FOR MUCH MORE THAN WAS FINALLY APPROVED. SCANDINAVIAN

COUNTRIES REPORTEDLY WERE PORTUGAL'S BIGGEST SUPPORTERS, WHILE SWITZERLAND AND AUSTRIA DRAGGED THEIR HEELS. NORWEGIAN EMBOFF SAID THAT FINLAND PUSHED FOR FUND APPROVAL, BUT EXPRESSED RESERVATIONS AS TO ITS PARTICIPATION. HE ALSO REPORTED THAT AT EFTA MEETING CAMPINOS COMPARED UNFAVORABLY IMPOSITION OF SWEDISH IMPORT QUOTAS ON RUBBER BOOTS WITH RECENT \$100 MILLION EXPORT CREDIT FROM ROMANIA. IN INTERVIEW FOR NOVEMBER 8 "EXPRESSO", CAMPINOS ALSO ATTACKED "DANGEROUS PRECEDENT" SET BY SWEDISH ACTION.

C. WOULD APPRECIATE ANY INFO U.S. MISSION GENEVA CAN PROVIDE ON EFTA ASSISTANCE TO PORTUGAL.  
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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRESS COMMENTS, ECONOMIC ASSISTANCE, MINISTERIAL MEETINGS, INVESTMENT PROGRAMS, TRADE CONCESSIONS, DEVELOPMENT PROGRAMS, FIVE YEAR PLAN  
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